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Mr. David Tilson

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•(0810)

[English]

The Chair (Mr. David Tilson (Dufferin—Caledon, CPC)): Good morning. This is the legislative committee on Bill C-2, meeting number 18, and the order of the day, pursuant to the order of reference of Thursday April 27, 2006, is Bill C-2, an act providing for conflict of interest rules, restrictions on election financing, and measures respecting administrative transparency, oversight, and accountability.

I'm looking for witnesses.

You may come to the front, presuming you're all here.

Our guests this morning are Michael D. Donison, the executive director of the Conservative Party of Canada; Steven MacKinnon, the national director of the Liberal Party of Canada; Eric Hébert, federal secretary, and Jess Turk-Browne, assistant federal secretary, of the New Democratic Party; Gilbert Gardner, general director, and Martin Carpentier, director, of the Bloc Québécois.

It's good to see you all together here. The rule is, as I'm sure you know, that you each can make a few preliminary comments if you wish, and then there'll be questions from members of the committee. I don't know whether you can agree as to who is going to start. We'll start the way I read them.

Mr. Donison, good morning to you, sir.

Mr. Michael D. Donison (Executive Director, Conservative Party of Canada): Good morning Mr. Chairman, members of the committee. First of all, on behalf of myself, the Conservative Party, and I think certainly all the other parties represented, I want to thank the committee, and particularly you, Mr. Chair, for allowing us the opportunity to come before your committee.

The subject matter this morning, of course, is in particular the extent to which Bill C-2 deals with the electoral process and the proposed amendments in Bill C-2 to the Canada Elections Act. As both a student of this process for many years and now a practitioner, I must say this is not a subject that the average Canadian gets really excited about. Even I'm not too excited at 8:10 in the morning, Mr. Chair, but I'll do my best.

The Federal Accountability Act, Bill C-2, basically does two things, I think—it has some minor amendments, but there are two major changes in the electoral law—and I want to say that I think both of those major changes are all movements towards increased accountability and transparency in this essential electoral process in Canada. The two of those, of course, are some changes on the rules

considering political party financing and the other change is in the administration of the conduct of the election itself.

On political party financing, as you know, basically what the bill does is create a situation where the maximum contribution that any individual Canadian can give to the national party is \$1,000 and then another \$1,000 to the local emanations of the party. It seems to us, from the Conservative Party's point of view, that this is an excellent further reform in our electoral financing system. What the \$1,000 limit does in both cases, in our view, is it certainly puts to rest any sense now that there is financial influence in this electoral process, either in substance or in appearance. I don't think anybody can seriously argue that an individual giving \$1,000 to a political party or a candidate is going to exercise some sort of undue influence. So I think the \$1,000 threshold is a good one because it basically ends any argument of substance or appearance. And in an electoral process, appearance is also very important, as honourable members know.

The other change, of course, and I think it's long overdue—I think it is a holdover from, if I may say, Sir John A. Macdonald's era—is that in a federal general election, or a byelection for that matter, the senior state official responsible for the administration, the conduct, of the election within an electoral district is a cabinet appointee. I'm talking, of course, about the returning officers. That's the other really good reform in this bill, Mr. Chair, that we're finally ending this vestige of even any sense of patronage power in the executive in the appointment of returning officers, giving that power to the chief electoral officer, where I think it should be. So I think that is an important reform, and it's certainly one that our party welcomes.

Those are my basic comments, Mr. Chair.

The Chair: Thank you, sir.

Mr. MacKinnon, do you have some comments?

[Translation]

Mr. Steven MacKinnon (National Director, Liberal Party of Canada): Mr. Chairman, committee members, thank you for inviting us to appear before you today.

I join with my colleague in offering my thanks, but I must say, however, that, in my view, a change as extensive and radical for the political parties as this one deserves more than a five-minute speech to stakeholders who are also affected by this situation. Having said that, I am grateful for the opportunity that is afforded me here.

I am the National Director of the Liberal Party, and I'm proud of that. I'd like to comment on four specific subjects included in Bill C-2: contributions and contribution limits; political party conventions; persons responsible for the administration of elections at the local level; and the coming into force of the provisions of this act.

• (0815)

[English]

Specifically on individual contribution levels, we think \$1,000 is unreasonable. We think that Bill C-24, passed by members of this House not much more than two years ago, is the most sweeping, open, transparent campaign finance reform undertaken in any western democracy, which I am about to demonstrate.

It is Liberal legislation. It is legislation we support. It is legislation that has been good for this country. However, it is also legislation so sweeping and vast in its import that it is puzzling and perplexing to me that no serious examination of the impact of Bill C-24 has been conducted by a committee of this House or anyone else, nor, frankly, has very much academic research been conducted on Bill C-24. And yet here we are, proposing further sweeping, radical changes to the system of campaign finance and party financing in Canada.

Bill C-24 never contemplated minority governments. If you speak to any of the officials or, frankly, any members of Parliament involved in adopting Bill C-24, their model, the assumptions they used to make the calculations in that bill, were clearly erroneously based on and predicated on the perpetual existence of a majority government and a four-year election cycle. That was part of the inherent trade-off between the limits on contributions and the limits on who may give to political parties, and public financing of political parties.

So I recommend and think and suggest that this committee or another committee of this House be charged with the examination of Bill C-24 and the assumptions made when it was adopted.

But all of that said, we support the philosophy and the specific implementation of Bill C-24. We think that public financing of political parties is a good thing.

Political parties are also a good thing. I am puzzled and perplexed every time I hear members of this House, members of our parties, all parties, including my own, throw mud at each other over people who donate to political parties. Political parties are a bargain. Political parties are good. The financing of political parties is good. Donating to political parties is good. Yes, it should be transparent, but it also should be encouraged. That kind of civic participation is a participation that benefits society as a whole.

Other parties claim their accomplishments. I would like to say that the Liberal Party has been a bargain for Canada. We don't even know if there would be a Canada without the Liberal Party and without the volunteers and the donors to the Liberal Party over the past 125 or more years.

So I would invite you to consider that a \$1,000 contribution limit is low. We have restrictions now that amount to a cap of \$5,400 from individuals only. I would like to offer for the committee some comparative data from around the world. We could start with the G-

8. In the U.S. the limit is \$27,500, and I'm talking now about donations to national political parties and the caps on those, forgetting about congressional, presidential, and other campaigns, and I'm doing a rough conversion into Canadian dollars.

[Translation]

In England, in the United Kingdom, there's no limit. In France, the limit is \$6,500. In Germany, as well, there is no limit. In Japan, the limits are \$145 and \$150.

[English]

In Italy, it's \$14,600. Some other countries that may also offer some appropriate comparisons are Spain, where it's \$60,500; Ireland, \$8,900; Sweden, no limit; and in Australia—a country we seem to be fond of these days—no limit. The government of Mr. Howard has not chosen to introduce this kind of reform.

As you can see, Canada has pretty sweeping and restrictive amounts on contributions. I think the others should serve as a comparison for this committee.

We also question whether this act would stand up to a charter challenge, a challenge of whether \$1,000 is reasonable. In fact, we have not had a judicial test of whether the current limits are reasonable. I would invite you to consider that.

• (0820)

The Chair: Mr. MacKinnon, I know you have a lot to say, and I want to leave time for questions. If you could perhaps conclude, we have two more parties to go through.

Mr. Steven MacKinnon: Thank you, Mr. Chair. I will attempt to be brief.

If this committee was to pursue a lower limit of \$1,000, or any other limit, there is an important facet in the area of party conventions. We all have party conventions; party conventions are a good thing. They draw people from across the country. They debate policy. They get the most active people in political parties together.

The Canada Revenue Agency has judged, and our legal advisers have advised, that we must provide receipts for convention delegate fees. The Liberal Party is a federation, which means that we have provincial conventions and national conventions, all of which may total more than \$1,000 in a given year. We are required to have biennial conventions, which means that every two years someone is attending a national convention. Delegate fees, unfortunately, are very sizeable because of the size of this country and the size of our conventions.

With your indulgence, Mr. Chair, let me read, if I may, from a legal opinion we have:

Pursuant to subsection 127(4.1) of the Income Tax Act, any amount paid to a registered political party by a taxpayer is a "monetary contribution" within the meaning of the Canada Elections Act unless it is a monetary contribution for which the taxpayer receives or is entitled to receive a financial benefit of any kind other than a tax deduction or other financial benefit prescribed by the Income Tax Act.

Therefore we must issue an Elections Canada receipt to—

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): I'm sorry, we didn't understand that part. Can you repeat it?

Mr. Steven MacKinnon: All right. I can repeat it in English.

[English]

The Chair: Mr. MacKinnon, I think committee members would be interested in having that opinion, if you'd be prepared to give it to us. I want to keep this moving, Mr. MacKinnon. We have a timeframe here. I think it would be useful if you could give that opinion to the clerk. If it is not translated, we will get it translated. Then we could move on to the other two parties.

We have been going for some time, so please conclude.

Mr. Steven MacKinnon: Let me conclude, and I'll come back to that in a second.

In any event, when looking at contribution limits, conventions cannot be ignored. I do not think that donors should be disenfranchised from attending conventions.

The second thing to contemplate is the possibility of two elections in one year. That is something that all members should rightly be concerned about. You could not go back to your most ardent supporters in a second election in any given year for support, because the act does not contemplate separate limits for separate elections.

Finally, and very quickly, we accept, as does my colleague from the Conservative Party, the returning officer provisions of Bill C-2. We think that is a positive evolution.

[Translation]

I would also like to emphasize that this act should not enter into force before January 1 of the year following royal proclamation. I encourage the members of this committee to consider the comments by Mr. Kingsley, who stated before you that Elections Canada should raise awareness and introduce an information program to make the public aware of these changes before the act enters into force. We encourage you to consider a time limit set at January 1 of the year following royal proclamation.

[English]

The Chair: All right.

From the New Democratic Party, we have Mr. Hébert.

Mr. Eric Hébert (Federal Secretary, New Democratic Party): Thank you very much.

[Translation]

In our view, this bill is really a step in the right direction. We see once again the extent of participation by unions and businesses in the political system. That's the reason why, in discussions on Bill C-24, we proposed that the \$1,000 amount be completely eliminated, because we thought it posed a problem at the technical level and with regard to perception.

It is true that Canada is ahead of a number of developed democracies as regards its political financing legislation, something we should be proud of. However, we still have work to do.

It's also true that the new limits will force us, as political parties, to go after contributions from a larger number of individuals. I think that's a good thing.

● (0825)

[English]

When as political parties we are able to simply rely on a handful of donors to give significant contributions, we don't broaden our base or appeal; we don't engage a larger number of people in the political system. So we believe a lower limit is very healthy, and we also recommend it in the discussions regarding Bill C-24.

There are a few recommendations, however, we would make in terms of amendments. One of the nice aspects of this particular piece of legislation is that the \$1,000 limit on individual contributions is divided between the local and federal entities of the party, which means that if an individual wants to give \$1,000 to their local riding association they can do so, and then give \$1,000 to their federal party. This means that within a political party we're not fighting ourselves for the same donor dollars, which is definitely a healthy benefit in this legislation.

However, one of the problems with this particular piece of legislation is that in effect what happens in a number of our parties—certainly in the major parties and in some of the minor ones as well, I would argue—is that the federal parties receipt donations for many of our local entities for credit card or other such donations. For example, a riding association may decide to submit an individual donor's \$500 contribution on a credit card to the federal party, so that we can process the donation, instead of 308 ridings having to create their own credit card systems and so on. As a result, we receive the contribution and transfer the money back to the riding. It's all very transparent, and we know how the money flowed. At the end of the day, it allows us to save a lot on the financial administration fees that many of our volunteer organizations would end up having.

The problem with this division now is that if the federal party is receipting all those contributions, a person hits his or her maximum contribution with the federal party before doing so at the riding or local level. So we would recommend that in the same way the act currently provides for federal leadership to have the ability to receipt contributions on behalf of another entity, we be able to do the same with riding associations.

This is particularly important regarding another new provision of this legislation, which is that donations over \$20 cannot be made in cash. We believe the accountability of this is very important. The transparency, the paper trail, and so on are very important aspects, but the fact is that many of our local entities, which receipt contributions, are required at that point to either have credit card facilities, or people must bring cheques with them to events and so on. This is a concern that needs to be taken into account, and we hope that by amending the legislation to allow \$1,000 to be receipted federally—of course, with proof that it's actually going to the benefit of a particular riding—that this be considered.

On the elimination of corporate and union contributions, we fear that it may be subject to charter challenge too. I believe in part that Bill C-24 allowed limited contributions to prevent this sort of problem from happening. However, instead of simply abandoning the idea of eliminating those contributions—because we believe it's a good step—we would recommend that you do what is currently done in the act regarding unincorporated associations, which are allowed to solicit individual contributions up to a maximum of \$1,000 in a particular year. This allows corporations and unions to have a political role, if you will, without being seen as having an influence.

The Chair: Mr. Hébert, I'd like you to wind up soon. You've been going for almost 20 minutes and I want to leave time for questions.

Mr. Eric Hébert: Sure. I will simply end the presentation on two final items.

The last thing we would particularly like to see in this legislation is something along the lines of a limit on leadership spending in leadership campaigns. We believe this is something of a bit of a problem in our system. All other campaign entities have to live within limits and we believe that leadership contestants should have no exception.

Finally, on the issue of whether conventions should or should not be part of the donor limits, political parties have various emphases on internal democratic procedures, some perhaps more than others. Some, of course, can afford to force their delegates to pay high delegate fees. We think it would be an unfair exception to be made within the act, so I would recommend strongly against the idea that conventions be excluded, particularly when a lot of these are internal democratic processes that, frankly, in our opinion, should be financed by the political parties themselves.

Thank you.

• (0830)

The Chair: Mr. Gardner.

[*Translation*]

Mr. Gilbert Gardner (General Director, Bloc Québécois): Thank you, Mr. Chairman.

On the whole, the Bloc québécois is in favour of the principles of Bill C-2, particularly since it addresses a certain number of our party's traditional demands, in particular regarding the appointment of returning officers. However, it lacks one aspect that would improve Bill C-2: that returning officers should be selected following public competitions.

In December 2004, the Bloc québécois tabled a bill to introduce this amendment. We would be pleased to see Canada imitate Quebec 25 years later by requiring returning officers to be appointed by public competition. We recommend that section 503 of Quebec's Election Act be adapted to Bill C-2. That section provides as follows:

The appointment of a returning officer shall be made after a public competition among the qualified electors domiciled in the electoral division concerned or in a contiguous electoral division, provided, in this latter case, that the person is able to carry out his duties in as satisfactory a manner as if he were domiciled in the electoral division for which he is appointed.

In a previous appearance, Mr. Kingsley stated that he wanted to proceed by public competition in the event of vacancies. We think

Bill C-2 would be improved if the obligation to hold public competitions for all electoral districts in Canada were included.

Now I'm going to talk about the coming into force of the new clauses 45 to 55 of the bill, which mainly concern authorized contributions. Apart from partisan reasons, there is no reason for these clauses to enter into effect at the time of assent. Citizens have made contributions during the year, based on the act as it stands today. Some have made bank authorizations and have spread their contributions over the entire calendar year. Introducing new provisions would be unfair for those contributors.

As regards the issuing of tax receipts, Revenue Canada could require parties to prove that the contributions were made before Royal Assent. For example, if Royal Assent is given on October 1, bank authorizations following that date would no longer be valid, whereas those made before that date would be. Does the tax receipt apply to the elector's entire contribution for the calendar year or only part of the calendar year? We think that, if you exclude partisan reasons, in the tradition of the implementation of this type of measure, the calendar year is normally the reference year.

We strongly recommend that you ensure that the provisions concerning contributions enter into force on January 1 of the year following Royal Assent.

[*English*]

The Chair: Mr. Murphy.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Thank you, Mr. Chair.

I'm concerned for John Baird. He came to this committee as one of the very first witnesses and said, "We're going to get the money out of politics." There may have been many people across the country watching, and it may have been printed in the print media to lead people to believe we were going to get the money out of politics through this long and arduous venture.

But I don't see anything here that will limit the use, for instance, by the major parties of massive amounts of money on negative advertising campaigns that denigrated the political process, in my view and in the view of many of my constituents, in the last couple of elections. I am directing the question primarily to Mr. MacKinnon and Mr. Donison, because I think you are the most guilty as party representatives of the big money negative ad campaigns.

My question is this. There's nothing in this reform about decreasing spending limits. From what I read, the Conservative Party is doing quite well at the bank in rolling in the money, so there'll be lots of money for lots more negative ads. And there's nothing here touching political action committees—PACs, or whatever you like—the non-political parties that deliver a political message on behalf of the major parties or other parties.

And I really don't think at the end of the day, especially with the limits on convention spending indirectly.... I do think there will be a limit on the democratic involvement at conventions and meetings of parties, which is what the democratic process is all about.

In other words, the public may be expecting, because they may have a fresh new feeling of optimism about Mr. Baird—whom I personally like, and he's a wonderful public servant, public office holder.... But what is this going to really do to take the money out of politics? I don't see how it is going to do that. It might even get worse, and the political process would be imbued with this big money negative ad spree if there are no limits on spending.

• (0835)

The Chair: We will start with Mr. Donison.

Mr. Michael D. Donison: Mr. Murphy, first of all, the question isn't about taking money out of politics; it's taking large donations of money from single individuals out of politics, and that I think the bill does.

All I can say in defence of my own party is the ads our party would have used during an election campaign were all funded, Mr. Murphy. You can go to the Elections Canada website and see—all small donations from individual Canadians.

Since Bill C-24 was enacted, which restricted corporate donations entirely to political parties, so that the national parties were left to receive money only from individual Canadians, the Conservative Party of Canada has received donations from in excess of 250,000 individual Canadians. The average donation, Mr. Murphy, is around \$100.

So all the money that was used, other than the public money Parliament has decided to give to the parties as well.... All the expenses of our party have been funded either by small, individual Ma and Pa Kettles in Orillia, if I may use that riding, giving small donations to our party, or taxpayers' money as mandated by Parliament.

There are no big money contributions in any of that, certainly not under Bill C-24, and even more so under this bill. That would be my defence of that.

It's not a question of taking money entirely out of politics. There is money in politics. Parliament has mandated that there be public money and is now mandating that individual Canadians can make small, individual contributions as part of their role as citizens and residents of Canada. I don't see a contradiction at all.

Mr. Brian Murphy: Well, Ma and Pa Kettle don't like the negative ads either, but anyway....

Mr. MacKinnon?

Mr. Steven MacKinnon: Like my colleague's party's activities, all of our activities have been funded by small donors under the \$5,000 cap and the taxpayers' money as foreseen under Bill C-24 as well—lest a faulty impression be created by the comments of my friend.

On negative advertising, I don't know that you can ever limit the freedom of expression of a political party, nor, I think, can you limit your observation, Mr. Murphy, to saying the Conservative Party or the Liberal Party were solely engaged in that. I think my other friends on the panel may want to share the load on that one.

Lest we get too fond of Mr. Baird and his Accountability Act, I think it is important that we share the accountability, however. This

is a person who ran on a platform of receiving only thousand-dollar contributions, and I note from public filings that he accepted a number of contributions in excess of a thousand dollars for his election campaign and has done so since the election. I think it is important that this be placed on the record for this committee as well.

The Chair: Mr. Hébert, do you have some comments?

Mr. Eric Hébert: I would like to come to the question around conventions. To me, a political party has a responsibility to its membership to have a democratic process, and that democratic process does not have to be, as far as I'm concerned, completely offloaded onto the people who participate there. I think a reasonable political party has to be able to finance its own conventions as well.

That means, for example, that we don't exclude people because they can't afford a \$700 delegate fee. It means we have lower delegate fees as a result of making sure we're inclusive in that regard.

So I actually don't think that is the same concern. Whether a political party wants to charge a high amount or not is actually up to the political party, not up to the individuals participating in the process.

• (0840)

The Chair: Monsieur Gardner.

[*Translation*]

Mr. Gilbert Gardner: We're pleased to see that corporations are excluded from making contributions. Here again, Quebec took action in this area long ago, leaving it solely to electors and individuals to finance political activities.

As for contributions for conventions, we're clearly dealing with very different cultures. For example, there are no registration fees for the Bloc québécois convention, and yet, on the same basis, or on a professional basis, there could be major fees. If the government and Parliament ever contemplated including or excluding convention fees from the accounting for contributions, guidelines at least would obviously have to be set because reasonable limits could be exceeded.

[*English*]

The Chair: Monsieur Sauvageau.

[*Translation*]

Mr. Benoît Sauvageau: I have a very brief question to ask. Then I'll turn the floor over to my colleague Carole Lavallée. My question is for all participants.

Yesterday, we heard from Pierre F. Côté in the committee. He was Quebec's Chief Electoral Officer for 19 years. He suggested to us that it was unrealistic to include the part on corporations in our act and that he had tried to correct this situation since 1997. In his view — perhaps we need to reread the blues from yesterday's meeting — it will be circumvented as soon as it is implemented. I'd like to hear what you think about that.

We want an efficient, effective act that works, but are we developing valid tools to implement it? Are we raising smokescreens that will be circumvented at the first opportunity?

[English]

The Chair: Monsieur Gardner.

[Translation]

Mr. Gilbert Gardner: You obviously need audits to ensure that it's really the money from taxpayers and electors that is being given to political parties, and that it really comes from individuals. Ultimately, the purpose of adopting these measures in Quebec was to limit the undue influence of businesses, corporations and large unions, and even to exclude it from the financing of political parties, in order to leave it solely up to taxpayers to finance the political parties they support. I believe this objective is still important.

Measures must obviously be taken to ensure these provisions are complied with, so as to avoid—as you mentioned—having them become a smokescreen and having people do indirectly what they cannot do directly. I believe this principle is still one of the cornerstones of electoral reform in Quebec and that it should also be applied at the federal level.

[English]

The Chair: Monsieur Hébert.

[Translation]

Mr. Eric Hébert: I entirely agree: ways will have to be found to ensure that funds come from the people who say they are contributing. Furthermore, the passage of Bill C-24 added a section to the Elections Act providing that it is an offence to attempt to circumvent an aspect of the act. That section gives us enough latitude to establish that money has come from another source, that that isn't right and that it hasn't been properly done. The current Elections Act has what it takes to do that. However, it still takes evidence to do that, and that's not always easy.

• (0845)

Mr. Steven MacKinnon: I believe René Lévesque's act on the financing of political parties was a model. It definitely was a model for Bill C-24, but it was also a model for the act in my province, New Brunswick, which was passed by Mr. Hatfield's government in 1982. That act, which is based on that of the Province of Quebec, provided for a limit—a very reasonable one, in my view—that still stands, although it has been indexed. That limit of \$6,000 applies to individuals and corporations.

I believe that, since that act was passed, as is the case in Quebec, there have been virtually no scandals, if you can call them that, over political party financing involving any of the political parties. I believe that the principle of the New Brunswick act is a good principle: it's a fair balance between public financing and reasonable limits on any corporate or natural person. I believe it would be good for this committee to examine the New Brunswick act, the federal act and the Quebec act. I'm concerned, as you seem to be, about the fact that this provision is not protected from a constitutional court case.

[English]

The Chair: Mr. Donison.

Mr. Michael D. Donison: When it comes to banning corporate donations for the registered parties, that's been the case since January 1, 2004. Certainly speaking for the Conservative Party, we've had no difficulty with that. I'm sure other parties are the same.

I think Mr. Hébert really said it, that Bill C-24, the current act, has some pretty stringent prohibitions against what are called “indirect” contributions. I think as far as Parliament can go, in a democracy and a rule of law, is to create fences. In our experience we've had no difficulty with that. If anything came across my desk where there was any question—*any* question—about an individual donation to our party, that donation would be returned and the matter would be reported. To my knowledge, certainly in the case of our party, that hasn't occurred once since January 1, 2004.

So I don't really think there's an administrative problem, certainly as far as the parties are concerned.

The Chair: Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chairman.

Because we have limited time, I'd like to stick to some specific amendments that the NDP is seeking to put forward. It stems from this issue that at least one Liberal leadership candidate seems to have revitalized the youth wing of the Liberal Party to the point where 11-year-olds are donating \$5,000 or more. The lineup of kids with their piggy banks seems to be excited.

What worries me is that the national director of the Liberal Party—you, sir—sees nothing wrong with this. You're on record as saying that this is within the guidelines of the Liberal Party to circumvent the rules of the Elections Act, to launder money through your children's bank account, in order to exceed the donation limits that were set so that big money could not control our democratic system.

That's what leads me to believe that we need an amendment to Bill C-2 to preclude the Liberal Party, or any other political party, from knowingly and willingly circumventing the rules for your own gain. The Liberals are like an egg-sucking dog, to use an expression we have on the prairies; once they get used to sucking eggs, there's nothing you can do to make them stop.

The Chair: Mr. Martin, please restrain yourself from picking on people.

Mr. Pat Martin: The analogy I'm using of the egg-sucking dog is simply to show that once they get into this habit of big money, they can't seem to break themselves of it, even up to and including breaking the very rules they put in place less than two years ago.

The Chair: Mr. Martin, I want you to stick to the bill. I know it's very tempting—we've read the papers—but try to stick to the bill.

Mr. Pat Martin: I am trying to speak to the Bill C-2 amendments we're seeking to achieve in this specific area. But I'll ask about a separate thing.

Again, not mincing words, we believe these big loans constitute corporate sponsorship. We're putting forward an amendment that says that if a leadership candidate or any candidate needs a loan to run their campaign, they should get that from a bank or financial institution, and no one should be able to co-sign that loan in an amount exceeding the amount they would normally be allowed to donate. If the loan fails, and defaults, the individuals who co-signed it would have to pay up, but they'd be paying up to the extent that they're allowed to by law under the donations.

Would you agree that this would clean up this problem of the Liberal leadership thing, where they have corporate sponsorships, more or less, when executives give massive campaign loans that we don't know ever get paid back? Would that solve that problem?

Any of the witnesses can answer, really.

● (0850)

The Chair: Since he's picked on you, Mr. MacKinnon, let's start with you.

Mr. Steven MacKinnon: Mr. Chairman, I find the language of the member quite appalling, inasmuch as we are managing—

The Chair: I don't want us to get into some sort of match here. Just try to stick to the comments, please.

Mr. Steven MacKinnon: Having allowed that, Mr. Chair, I'm sure you will want to allow me to respond.

The Chair: I agree with you, but I'd like to move on to the issues, please.

Mr. Steven MacKinnon: I intend to move on to the issues.

The Chair: Please do.

Mr. Steven MacKinnon: The law that in fact I believe this member voted for is being followed to the letter by the Liberal Party of Canada. And I assume, were any other party to have a leadership convention, it would be followed by them, too, in the administration of a leadership contest. The law is being respected; the law is being upheld. The Liberal Party does not govern contributions to leadership candidates, nor does it govern loans to leadership candidates.

I would, however, say that it is important to consider that in order to start a leadership campaign, it is important to have a loan on which interest is paid at market rates, by law, by these leadership candidates.

Mr. Pat Martin: Would you support an amendment, though, that made sure those loans only came from banks and that no one could co-sign the whole thing?

Mr. Steven MacKinnon: I would not, no. I think it's important that family members, for example, be allowed to support in that way.

But let me say in concluding, Mr. Chair, on this issue, that in terms of spreading the accountability around, I would like to know...for example, in the year 2000, when we talk about money laundering, where Mr. Martin did not receive one single or at least register one single contribution in his riding, and where all the money was laundered through the New Democratic Party—

The Chair: I don't want to go there. I'm going to move to Monsieur Hébert.

Mr. Steven MacKinnon: Well, Mr. Chair, with respect—

The Chair: With respect, I'm moving to Mr. Hébert. I'm not going to let you go there.

Mr. Murphy on a point of order.

Mr. Brian Murphy: You have been a marvellous chairman, but you have never cut off a witness before. What are your grounds here?

The Chair: I don't want—

Mr. Brian Murphy: Just a second, Mr. Chairman. I'm making a point of order, which is this: you have never cut off a witness—never. You have regulated us quite well, as we should be regulated when we get personal, when we name names, when we get partisan, whatever, and I respect you for that. You've done a great job. You've never cut off a witness. So the first witness you cut off is the executive director of the Liberal Party. Do you feel good about that?

The Chair: Mr. Hébert.

Mr. Eric Hébert: On the issue of loans, particularly, one of the big problems that I think exists right now in the Elections Act is that a loan that is given by somebody outside of a financial institution and goes into default after 18 months is then deemed a contribution. You can get extensions to this, you can do that sort of thing, but if we're going to be deeming it a contribution at some point in the act, then certainly that loan or that guarantee should be limited to the amount of money that person or business can give. I support that.

The Chair: Thank you.

Monsieur Gardner.

[*Translation*]

Mr. Gilbert Gardner: The sponsorship scandal has taught us a lot of lessons. You can establish a lot of rules, but when someone is determined to circumvent them, there's no way of ensuring that everything is done within the spirit and meaning of the act.

Even if all the members of an executive of an electoral district were prepared to endorse the necessary loan or line of credit, they wouldn't be able to do it if they were required to comply with the limits permitted in the context of an election campaign. If the limit were applied to individuals, that would require such a large number of endorsers that it would become impracticable.

I don't believe that this solution is viable in ensuring that all candidates have the financial resources necessary to conduct an election campaign on an equal footing.

● (0855)

[*English*]

The Chair: We're running out of time, Mr. Donison, so very briefly.

Mr. Michael D. Donison: The only thing I'd say, Mr. Chairman, is that there may be some issues that perhaps Elections Canada should be looking at, this whole issue of the loans. The particular matter Mr. Martin is referring to has I think been referred to the commissioner of Canada Elections.

I would certainly be interested in seeing what the commissioner has to say about this whole issue of loans and so on. It's not in this bill. It's something Parliament may want to look at. I'm not aware of too many infractions or difficulties, but obviously we're starting to hear about some in a particular political party, and I think it's something Elections Canada maybe should at least look at. But I don't think it's something this committee, at this point, between now and the end of this session, would have an opportunity to really deal with in detail. However, it's worth pursuing.

The Chair: Mr. Martin, I'm sorry, we're over.

Mr. Lukiwski.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Chair, I will be ceding some of my time to my colleague, Mr. Rob Moore. I'll attempt to lower the temperature a little bit on the political rhetoric side.

I come from a background similar to all of you at the table. I was the executive director of a provincial party at one time, so I have some understanding of these issues. I also, I should say, have some sympathy for all of you in your jobs. I know that many times it's a thankless job, and I know the pressures you're under.

I have a couple of quick technical points. I'll direct my first comment to Mr. Hébert specifically.

You mentioned in your brief—and thank you very much, by the way, for providing us with your brief—that you have some problems with or you would recommend we deal with the situation that you have in your party. You process a lot of the individual contributions on behalf of riding associations to save administration costs for the local riding. I appreciate that, and I think it's quite a common practice.

My question is this. When you send the money back to the riding, do you retain any of that money yourself for administration purposes, and if so, do you consider that to be a donation? Should that be exempted from donation status or not?

Mr. Eric Hébert: We do actually keep a percentage, because when you process a credit card donation there's a percentage and those sorts of things. Would I consider that to be part of the contribution? Well, that's a very good question, one that I hadn't fully considered. But I would say given the fact that the contribution has been made by the donor, we would have to consider it a contribution to us as part of our administrative work.

Mr. Tom Lukiwski: Thank you for that.

I'll make a second comment, and then I'll turn it over. I think a number of you mentioned that you didn't feel that registration fees for conventions should be considered donations since it is part of the democratic process. I hope I'm not misinterpreting your comments.

My understanding is—we certainly did this in our party, and I assume you do the same in yours—if there is a \$1,000 registration fee to your national convention, in terms of the issuance of tax credits you would have to determine what the hard costs of that convention are. They may be \$750, because that is what it costs for the meals and such. The remaining \$250 is what you would issue in terms of a tax credit and a contribution limit.

That's contained in the act, by the way, so you're going to be forced to report a donation of the money over and above the hard costs associated with the convention.

Mr. MacKinnon, I see you shaking your head.

Mr. Steven MacKinnon: That is not correct, but you're partially right.

You must deduct what is deemed to be a personal benefit. So you're quite right, if there was a meal, if there was some hard benefit—a briefcase, a bag, a book, or what have you—those things would have to be calculated and prorated. But the other hard costs, as you call them, of the convention, such as the stage, the lights, the

mikes, the books, the delegate guides, and the rental of the hall are not considered a personal benefit. In fact, we have a mountain of legal advice as well as interpretations from CRA that say that we must receipt convention contributions. We do not have a choice about receipting convention contributions, and they are considered to be a monetary contribution to a political party for the purposes of the Elections Act.

• (0900)

The Chair: Monsieur Gardner.

[*Translation*]

Mr. Gilbert Gardner: I simply want to make a comment. As you said earlier, we aren't opposed to it being excluded. However, guidelines should be set because if they aren't, this can become an indirect way of accumulating funds for parties.

[*English*]

The Chair: Okay, we have about two and a half minutes for Mr. Moore.

Mr. Rob Moore (Fundy Royal, CPC): I think it's been mentioned that we did have a visit yesterday from the former chief electoral officer from the province of Quebec. I found one of his quotes kind of alarming, but it's probably true that no matter what rules we put in place as parliamentarians, there are always going to be some people who try to get around the rules. That's probably a fact of life. But that doesn't mean we shouldn't do our best as parliamentarians to put in rules that will be effective, and also put in the mechanisms for enforcing those rules. I think that's what we're endeavouring to do with Bill C-2.

Canadians' confidence in our electoral system, in our political parties, has been shaken a bit in the past, and we want to make sure we restore that confidence.

I'm going to ask specifically about things that are in the news even now.

When we hear of the children of corporate executives making donations of over \$5,000, whether that's legal or illegal, the question is, what impact do you think that has on the Canadian public's confidence in our electoral process that there would not be an undue influence given to those individuals?

Anyone can comment on that.

The Chair: Anyone? Mr. MacKinnon.

Mr. Steven MacKinnon: I'd be happy to respond to that. I think the law is clear that you must be giving your own money, of your own free will, and that includes children. It includes any Canadian citizen. It includes any permanent resident of the country.

Mr. Donison claims some quarter-million donors. I think he would agree that it would prove very difficult to ask each of those donors how old they are and did they give their own money. In fact, the onus is on the contributor to comply with the law. When Mr. Donison or I, or any other of my colleagues here, learn that a law may have been contravened—Mr. Donison is again quite correct—our job, our duty, and our record is that we return that contribution promptly, forthwith, and without question.

I do note that in all parties people with the same last name make contributions all the time—people with children, people who are under the age of 18. I think you may want to consider that in your own party this may be a problem and this may affect some contributors who have made contributions to your party in the very recent past as well.

So I think it's a tough job to be Michael Donison or Steven MacKinnon and watch every cheque that comes in the door. Once we learn of a contravention, I'm sure that Mr. Donison and I do everything in our power to make sure that is corrected and that transaction is reversed.

The Chair: We've run out of time on this round, but do the other three parties have any comment?

No. We have time for another five-minute round.

Mr. Owen.

Hon. Stephen Owen (Vancouver Quadra, Lib.): Thank you, Chair.

Mr. Gardner, I was very interested to hear your description of the situation in Quebec, where returning officers are appointed through a competition process at the local level. Who convenes that and presides over that competition, and how is it guarded against becoming a political exercise or a partisan exercise?

[*Translation*]

Mr. Gilbert Gardner: I believe that, from the moment this was implemented, the situation improved a thousand fold compared to what had previously existed. The incompetence of a large number of returning officers was apparent, known to everyone and even to all the political parties.

In Quebec, regulations were passed by the National Assembly Committee requiring the Chief Electoral Officer to table his regulations and have them passed. Those regulations expressly state the qualifications sought for returning officers and for the public competition process. They include the procedure and the individuals who are empowered to evaluate the various applications. They also provide guidelines for applications for candidates.

For example, a former member is required to wait two years before applying for a returning officer position. He first has to serve out a waiting period. A number of criteria are stated in the regulations, which, I think, ensure that appointments are made on merit—as Mr. Kingsley said—and in a very specific manner, through a process that is known, public, mandatory and therefore also helps to re-establish the relationship of trust between electors and the electoral system.

• (0905)

[*English*]

Hon. Stephen Owen: And is it the returning officer who—

The Chair: Excuse me, I don't know whether the others have any comments—Mr. Donison, Mr. MacKinnon, Mr. Hébert...?

Sorry, Mr. Owen.

Mr. Michael D. Donison: My only comment is that Elections Canada is a very competent agency of the Parliament of Canada, and I think I would leave it in the capable hands of Mr. Kingsley and his

staff. They have a very rigorous recruitment process at Elections Canada now, and I'm sure that's what he will apply when he's given the authority to appoint the returning officers.

The Chair: You have two and a half minutes.

Hon. Stephen Owen: The only additional question I have is, who actually appoints the person after the competition in Quebec? Is it the chief electoral officer of Quebec? Who makes the final decision?

[*Translation*]

Mr. Gilbert Gardner: The Chief Electoral Officer has responsibility for the composition of the selection committee, but he has an obligation to hold a public competition. That's not left to his discretion. The act currently states simply that he must make the appointments on the basis of merit. There is no obligation to hold public competitions, and we believe that it is the legislators' responsibility to include this obligation to hold public competitions in the act in order to set guidelines for the actions of the Chief Electoral Officer.

[*English*]

The Chair: We have a little bit of time left.

Mr. Sauvageau, do you have any questions?

Mr. Martin, very briefly.

Mr. Pat Martin: I would like to go a little further with this idea about loans. A lot of us feel Bill C-24 was put in place in the recognition that big money bastardizes democracy, that certain individuals have a disproportionate amount of influence over the democratic process because they can buy elections.

Having said that—would you agree then with Mr. Hébert's comments?—the current status quo is that after 18 months, if these loans aren't repaid they revert to being a donation. This means that person who loaned \$100,000, 18 months later would have been allowed to donate \$100,000.

What's the difference there? Is that incorrect? I stand to be corrected. If that's the case, it needs to be remedied. What is your opinion? What happens to that loan?

Mr. Steven MacKinnon: It is incorrect that it becomes a contribution. It becomes an illegal donation. That loan must be repaid. The loan must continue to bear interest, and both the interest and the principal must be repaid with Bill C-24 eligible contributions from individuals under the limit prescribed by law.

Those loans must be repaid. It's all done very transparently. Every expense generated by that amount of money is reported. Every loan is reported. I would note that the Liberal Party went further than the Canada Elections Act required in prescribing that candidates divulge those loans upon entering and registering for the leadership race. In other words, we were not required to require the candidates to do that. We asked them to do that, and we thought it was an important level of accountability and transparency. We went over and above the law, and I do not agree with your observation at all.

The Chair: Mr. Martin, I'm going to—

Mr. Pat Martin: I want to get the last question.

The Chair: Mr. Martin, I'm going to give the last minute and a half to Mr. James Moore.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Just briefly, Mr. MacKinnon, you described the process of the federal New Democratic Party raising money and then giving the money to candidates such as Mr. Martin as money laundering, but—

• (0910)

Mr. Steven MacKinnon: You described something as money laundering.

Mr. James Moore: No, that was your language, but I'm curious. On the issue of loans, as Mr. Martin describes it, this is a very interesting thing that's happening I think right now in the Liberal leadership race. I'd ask you to comment, in the spirit of this legislation, on what it means internally in the Liberal Party and how your party may comport itself.

It was reported yesterday that Mr. Brison, in his leadership race, has been loaned \$200,000, and now we have the story today of 11-year-old children giving over \$5,000 to Mr. Volpe's leadership campaign. What does that say about this process of loans? If you describe it as laundering for a political party to give money to candidates, but it's okay for 11-year-old children, I suppose in full consciousness of what they're doing, to give \$11,000 to leadership candidates, and financial institutions to give \$200,000 to Mr. Brison, and they then have to cut a cheque for \$50,000 to the Liberal Party, how would you describe that?

Mr. Steven MacKinnon: There are so many inaccuracies in that statement I don't know where to begin. However, the loans of leadership candidates are reported. The only reason we're talking about them is that we required candidates to report those loans. They—

Mr. James Moore: But is it proper for children to give money?

The Chair: Let Mr. MacKinnon finish.

Mr. Steven MacKinnon: Those loans are reported. They bear interest. They must be repaid. And it is a criminal offence if they are not repaid. That is what the law says. We are here talking about those loans precisely because I ordered those loans be disclosed and that leadership candidates disclose those loans.

You misconstrue everything that I said about what Mr. Martin.... Mr. Martin is here talking to me about egg-sucking dogs, and I'm here saying that we don't know, in the year 2000, who gave to his leadership campaign because all of the donors were laundered, yes, through the New Democratic Party, and he lists only the New Democratic Party as a donor to his election campaign in 2000. In 2004, he spent—as I think we've come to expect of the NDP—more than he raised.

Mr. Pat Martin: The research in my—

The Chair: Mr. Martin, you opened this up, so I'm going to let him finish.

Mr. Steven MacKinnon: It's important I think that we—

An hon. member: [*Inaudible—Editor*]

The Chair: You guys opened this up, so let him finish, please.

You've finished?

Mr. Steven MacKinnon: I think I've succeeded in drawing the ire of the committee, Mr. Chair.

The Chair: We appear to have come to an end. The clocks have all gone off. Thank you all for coming. We'll break for a couple of minutes.

• (0910)

(Pause)

• (0915)

The Chair: I will call the meeting back to order.

We have with us as our next guest, David R. Zussman, who is with the Faculty of Social Sciences in the School of Medicine at the University of Ottawa.

Good morning, sir.

We normally give 5 to 10 minutes to have some introductory comments and then we proceed with questions from the caucuses. Each has about seven minutes. That's how we work.

We thank you for coming and welcome you, and we look forward to your comments.

Mr. David Zussman (Jarislowsky Chair in Public Sector Management, Faculty of Social Sciences, School of Medicine, University of Ottawa, As an Individual): Thank you, Mr. Chairman, and thank you for the opportunity of being here this morning.

I know that all of you have spent many hours in the last week debating and discussing this bill, and I have very much been looking forward to having a conversation with you about it.

I'd like to mention, too, that I might be here for a number of different reasons. As the chair has pointed out, I'm a professor of public management at the University of Ottawa. In fact, I occupy the Stephen Jarislowsky chair in public management and governance at the university. I'm also the former head of the Public Policy Forum, which in fact did a considerable amount of work in recent years trying to bridge the gap between the public service and elected officials. I also am a former vice-president of EKOS Research, a public opinion research firm that does a considerable amount of work with the federal government, and I look forward to talking to members of the committee who might have some interesting questions about the public opinion research aspect of Bill C-2.

Mr. Martin has, on a number of occasions during the hearings, talked about program review, and I just want to point out that in the mid-1990s I was assistant secretary to the cabinet in the Privy Council Office for program review and machinery of government, and I would very much look forward to answering any question he or any member might have on program review.

Lastly, I just want to point out that about two years ago the federal government restructured a lot of the activities around staffing and human resources and created a new Public Service Commission with one full-time president and two part-time commissioners. I was appointed two years ago to a seven-year term as a part-time commissioner of the Public Service Commission.

You would have heard already from Maria Barrados on the commission's position regarding Bill C-2, and I'm really here in my capacity as an academic to talk about the bill.

I've already spent a fair amount of my time just introducing myself.

I will try to give you some idea of the issues that I'd like to talk about. I'd like to just give some context to the legislation, since many of you members of Parliament are fairly new to Ottawa and might not have fully appreciated the place where Bill C-2 finds itself these days.

The last decade has been a remarkably important one in terms of governance in this country, and particularly at the level of the federal government. As I mentioned, program review in 1995 had enormous impacts on the country in many different ways, but there's an aspect to it that is important for the committee to be aware of, and that is the fact that in our efforts in those years to downsize government, one of the functions that was heavily affected, but really unknowingly by us in those early years, was to downsize two important activities. One was the audit function in the federal government and the other was program evaluation. Over time, many of the activities that were normally associated with audit and program evaluation disappeared as a consequence of program review. To a large extent, the auditing side is being rebuilt, but program evaluation has not yet had the same effect.

I suspect that Arthur Kroeger may have touched on this when he was here a couple of days ago. Many of you are aware of some of the massive so-called management improvements that were introduced by the government in the last couple of years. By my accounting, there are at least 200 major initiatives that were implemented by the federal government post-sponsorship program and post-HRSD. In particular, additional programs and policies were put in place in terms of auditing and financial controls and reporting to Parliament, and the results, frankly, have been additional burdens, clearly, on all of the affected institutions, which has at times made it particularly difficult for Canadians and for interest groups to deal with government. You are arriving at a time when we've already added at least 200 new activities in terms of management improvements.

In a recent speech just a couple of days ago at the APEX conference, Minister Baird talked about the fact that he is going to do what he can to streamline so many of these new management improvements that were brought in.

● (0920)

I also want to tell you that the Government of Canada has been very active in recent years in trying to provide members of Parliament with more information. In fact, I think one of the real challenges that they do have in thinking about Bill C-2 and its implications for governance going forward is the fact that there is already a huge amount of information that has been provided to you as members of Parliament. Parenthetically, I want to say that not enough of that information has been used by you on an active basis to further the governance of the country.

Let me then move quickly, Mr. Chair, to some of the issues around the specifics of the bill itself. I would simply say that this bill is possibly the most massive attempt in at least a generation to restructure the governance structure of the government and of the institution of Canada. To a large extent, of course, as the Prime Minister I think quite rightly identified, it's an attempt to restore confidence in our public institutions.

As you consider it clause by clause in the coming weeks, I think one might ask oneself whether the changes that are being introduced in each of these rather important areas will in fact add to the contribution toward restoring trust. In fact, I think this is going to be a huge and interesting challenge for you as you look at the 13 sections of the bill, which, as all of you know, amends over 100 different federal statutes.

I would now like to talk specifically about a couple of sections, in particular those that I have spent some time researching over the last few years, and then I'll stop, and I will certainly field as many questions as you have.

The Public Appointments Commission I think is a very exciting and welcome addition to the governance structure of Canada. There are lots of machinery options around which one can organize it, but I think the principle is such an important one, where you are proposing to have a uniform approach to appointments and to create an organization of one kind or another that will ensure that the process is explicit, public, and available to Canadians. This is a very important departure from existing norms and would represent I think a very exciting new opportunity.

When it comes to the issues of public opinion research, and there are some suggestions in the legislation of moving forward, particularly insisting on written reports and posting of the results in six months, I would say, frankly, that this already exists. This will be a welcome addition, but in fact it is common practice today. Ninety-nine point nine per cent of public opinion research is reported in a written format, and it certainly finds its way into the public domain in a typically reasonable period of time. So a six-month time limit won't put any particular burdens on practitioners.

I've also been intrigued with the notion of the accounting officer model and introducing more responsibilities for the deputy ministers. There, I think, we have some interesting possibilities, but I would say that already the existing practice in Ottawa has been for many years to see the deputy minister as the chief accounting officer, so making explicit what's already implicit would probably strengthen it but not make any dramatic changes in the way in which things function.

Lastly, I'd like to applaud the government for deciding to go ahead with making the conflict of interest guidelines and policies an act of Parliament. I think this is an important signal to Canadians. It makes more explicit again what has been implicit in terms of the general guidelines as to how one should operate.

Jumping to my conclusions, then, I'd say that this particular legislation is massive in size. It's not likely to be touched again for another generation, so I would invite all of the members involved in this exercise to take the necessary time you need to debate each of the clauses, to ensure that it measures up against and complements existing and contextual issues that are going on today.

I think one of the things one has to look out for is the so-called unintended consequences of legislation, in an effort to solve problems rather than creating new ones that sometimes are larger than the ones you've set out to address. So taking the appropriate time for deliberation I think would really enhance the effectiveness of this legislation and will require people to come back in a few years' time only to fix up those parts of it that aren't working.

• (0925)

I would also like to say that while you're at it, you might want to look at some way of increasing the resources for various parliamentary committees.

As I suggested earlier, members of Parliament have more information available to them now than ever before. As you know, for at least the last five years, the Government of Canada has been seen around the world and noted by Accenture to be the most effective online government in the world. So you don't have a shortage of information, but you do have a shortage of analytical skills to make use of the information provided to you.

I would suggest then, Mr. Chair, if it is at all possible to expand the scope of committee work at least in terms of staffing, you might find this bill will provide you with some additional resources. Thanks for the opportunity to speak.

The Chair: Thank you, Professor Zussman.

Mr. Owen.

Hon. Stephen Owen: Thank you for being with us and bringing your very wide range of expertise from a background in a number of important areas of this statute.

I have just two quick areas I'd like your opinion on. One involves your comments on the Public Appointments Commission. From my take of people's comments around this table, there is a lot of support for that. It's how it's structured and where it's housed.

I wonder if, with appropriate amendments to the Public Service Employment Act, the president of the Public Service Commission would be appointed as an agent or officer of Parliament with the necessary criteria and purposes put in that act.

Would the commission have valuable skills and a broader mandate that could be brought to bear on this important process?

My second point is with respect to legislating a code of conduct for members of Parliament and whether that can open up a protective connection between members of Parliament and the courts. If that is in legislation, an alleged breach or a decision of a breach may be subject to judicial review, and I wonder whether that in some way offends the constitutional independence of those branches.

• (0930)

Mr. David Zussman: To answer your second question, I don't think that's a problem. I think you can just go ahead and do that, as far as I know. But I think you're going to be getting advice from others who are more knowledgeable than I am.

When it comes to the acts of the appointments commission, I think you raise some interesting questions. The current bill suggests the Public Appointments Commission would be part of the Prime Minister's Office, or at least would probably be housed in the Privy

Council Office, which of course is equivalent for the purposes of this discussion.

It is correct I think that the Public Service Commission, which already is an independent organization that does merit-based appointments, could in fact take on due responsibilities of ensuring the processes, as envisaged in the bill, were properly followed.

I think I can correct you. I think Bill C-2 also points out that part-time commissioners of the Public Service Commission will go through the same appointment process as the president, that is to say, be appointed by Parliament through a vote. I think that is the suggestion the commission has made as well. So there would be some symmetry around that.

But yes, I think there are lots of machinery options, and the commission is a very viable one.

Hon. Stephen Owen: Thank you.

Mr. Tonks has a question.

Mr. Alan Tonks (York South—Weston, Lib.): Thank you, Mr. Chairman.

Mr. Zussman, thank you for being here this morning.

I think those of us who sat on the public accounts committee during the sponsorship investigation would agree that dismantling the Comptroller General, the role of audit, and what you have described as program evaluation all led to the unintended consequences of having issues fall between the cracks in terms of systemic accountability.

You made the statement that the government has been trying to provide more information resources to members of Parliament, and—I take it that you mean through the committee structure—bring more investigative and inquisitorial capacity to bear, but you go on to say that not enough is used.

You've seen the recommendations in Bill C-2 with respect to whistle-blowing and with respect to internal audit. Where does your experience tell you that capacity should be entrenched? Should it be through the Privy Council Office? Should it be through the management board? Should it be through the accounting officer? I lean toward the accounting officer concept, even though you have said it hasn't changed anything. I would hope that isn't true.

Could you just expand on that? I think the role of the accounting officer is really something on which the government is hinging a great deal of our accountability hopes.

Mr. David Zussman: I guess the point I'm trying to make is that it's really Parliament and the committees of Parliament that dictate how successful any of these models will be. That is to say, if you make use of the information, if you bring forward the data in a venue like this, to debate and discuss the merit of programs around the table, then the new system will work.

Just creating a new office that collects more information won't make any large difference to improving the two objectives of this legislation: increased accountability and restoring trust in public institutions. That's what the government says is the purpose of this whole exercise.

According to my accounting in this exercise, we are going to create eight new agencies. The creation of new agencies alone does not necessarily guarantee that we are going to have more accountability. For your purposes, it's the use of the information that these agencies are going to collect that will be the measure of success down the road.

After some reasonable period of time—five years from now, for instance—it will be useful to look back and say, “Okay, with all of these new agencies and new mechanisms we've put in place, is it in fact true that the government is more accountable?” Frankly, I don't want to call it the weak point, but the point to which we've paid the least amount of attention is the way in which the members of Parliament will use the information.

I know there have been some fascinating pieces of work done by, for instance, the Treasury Board in recent years. These department reviews are submitted to you every single year. They list the intentions of every department, and then performance reports on what they accomplished the previous year are given to you. You got 91 of them last year from 91 different departments and agencies, but I suspect that Parliament has spent very little time holding the government to account for the success of any of these particular programs.

The data is there. More data isn't necessarily going to make the Government of Canada more accountable, so we have to find another way. I hope in your deliberations, as you work through clause by clause, you'll be inspired to find a way to make use of the information, both old and new.

● (0935)

The Chair: Thank you, Mr. Tonks.

Madame Guay, go ahead, please.

[Translation]

Ms. Monique Guay (Rivière-du-Nord, BQ): Thank you, Mr. Chairman. Good morning, sir.

A few years ago, when Parliament appointed the Ethics Commissioner, we asked that he be accountable not to the Prime Minister, but to the House of Commons, so that we could analyze his answers ourselves. That didn't happen, and that had an undesirable impact on public trust in parliamentarians. So we need a process that is open in order to restore public trust, as you said, in the work of parliamentarians and the institution of Parliament itself, in the wake of the sponsorship scandal.

You said earlier that we should proceed with a great deal of care in the clause-by-clause consideration of the bill. I believe we'll move a number of amendments to correct a number of conflict situations.

I'd also like to talk to you about the \$1,000 reward, since we talk about it with all our witnesses. I'd like to know what you think of the fact that a whistleblower could receive a \$1,000 reward. We're opposed to that—I'll tell you that at the outset—because we believe that's like a witch hunt, but I'd nevertheless like to know what you think of it.

Mr. David Zussman: Pardon me for answering you in English, but that's easier for me.

[English]

Simply to say, I think this is exactly the type of issue that should stimulate some very important discussion. Paying people to report on others is a dramatic departure from the way we traditionally administer public institutions in this country. There's nothing inherently wrong about paying people and offering up rewards to encourage certain types of behaviour, but in my view, this is a precedent that deserves a whole lot of consideration. In my own personal view, this would be a severe and dramatic departure from past practices. In Canada, we have always relied on self-reporting, for instance, and encouraging individuals to do the right thing. Offering up cash rewards and creating perhaps a mini industry around whistle-blowing would be an important change.

When you consider this particular aspect, I think you have to think about it in the larger context, that this is precedent setting, and that if we do it in the case of whistle-blowing, we should consider doing it for other types of government-related activities. This is an important aspect of the bill.

● (0940)

[Translation]

Ms. Monique Guay: Yesterday, the committee received a document from the legislative drafters informing it that, since Bill C-2 affects a number of acts—including Canada's Constitution Act—it poses serious problems and major adjustments will have to be made to it in the clause-by-clause consideration to prevent major legal problems. Have you studied Bill C-2 from that perspective?

[English]

Mr. David Zussman: I just heard that myself a few minutes before I appeared. This doesn't really surprise me, given the massive range of the legislation. I guess that simply means that as a committee you're going to have to work through the constitutional and other types of aspects of the bill.

You certainly don't want to pass legislation that will be challenged in court the day after it's adopted by Parliament. I think this would certainly not add to increased accountability or restoring trust. To the extent that it's possible, if you can work your way through these in advance of passing the legislation, I think you'll be very well served by that.

[Translation]

Ms. Monique Guay: So it would be in our interest to take the time to work on this bill properly to ensure that we don't find ourselves in the Supreme Court or Superior Court at every turn, which would cost a fortune and would mean the bill would not be serving the public as it should.

Mr. David Zussman: I entirely agree.

Ms. Monique Guay: Thank you.

[English]

The Chair: Monsieur Petit.

[Translation]

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Zussman, I have two questions to ask you so that I can clearly understand your explanation and the presentation you made earlier.

In the last problem we had, which was the sponsorship scandal, you examined an aspect that seems important. That was the public opinion research for which contracts were oral, rather than written. The pollster provided results orally to the person who had commissioned the report from him and sent him the bill. The money was always there.

You said earlier that Bill C-2 would require a written report, but that was already the case in 99.9% of instances. However, the sponsorship scandal showed us that this occurred in zero percent, not 99.9% of cases. They entered into oral contracts, gave each other the answers and happily helped themselves. Do you think that creating this obligation in Bill C-2 will prevent this situation?

[English]

Mr. David Zussman: I think, if I may, I'll just say that in my own experience, having done many public opinion surveys for the Government of Canada over the last 25 years, I have never heard of an instance of people giving verbal reports and not written reports.

What I'm saying is that I think in this particular instance, these are, as in fact Justice Gomery has said, an aberration. The common practice, and I was arguing that it's in 99% of cases—I'm not referring necessarily to sponsorship, which I know nothing about—overall, written reports are provided, and you would have absolutely no trouble receiving them today from all the people who are contracted to do public opinion research for the Government of Canada.

Having said that, that is an operating principle I would have thought already existed and functioned very, very well.

• (0945)

[Translation]

Mr. Daniel Petit: Mr. Zussman, the bill that you read will become what we call an omnibus bill and will back the accountability regime. It amends 45 other acts. After reading the sections of the bill of interest to you, do you think that Bill C-2, as a result of the amendments it makes to all the acts to make them effective, is strong enough and meets the needs created by its introduction, that is to say accountability? All the other acts exist, and we're only amending them. In your view, is Bill C-2 strong enough to implement what the government wants to do, that is to say to create accountability and all the necessary factors to give government more honesty, efficiency and integrity?

[English]

Mr. David Zussman: One of the points I'm trying to make in this presentation is there have been so many new changes brought in over the last two or three years to improve accountability that we already have a very strong accountability regime at the federal level. This will just add more to it.

There are many unique elements in this bill; for instance, political party financing is quite new. However, when it comes strictly to administration of government, Mr. Alcock alone brought in 200 new measures regarding accountability. So my word of caution is that we have to make sure that the new ideas contained in Bill C-2 do not in any way overburden the system, to the extent that you end up with so many new rules and procedures that the time expended by public

servants and others to comply will sometimes cost more in terms of effort than the outcome.

I don't really know at this point. I'm not referring to anything in particular; it's more of a general statement. So as you consider the clause-by-clause, I think you have to ask yourself what other kinds of regulations do we have when, for instance, it comes to whistle-blowing or conflicts of interest, and do these add marginally more value than not? In that case, you may decide that the current regimes are sufficient, at which point you may decide that you don't want or need to go any further.

In other instances, when it comes to the Public Appointments Commission, you may say that we don't have any regime similar to what is being proposed. So this is new, in my view. But when it comes to changing the accountability regime for deputy ministers, I would argue that much of what's contained in the legislation already exists.

You may want to see a value in having a special title around it, so that the public gets a better sense of what's intended. But in terms of actual practices, deputy ministers in this city are extremely accountable to Parliament today. They have been appearing on a regular basis as financial auditors—or responsible for financial activities—for at least 10 to 15 years, and they have been accountable to you for those activities for that period of time. The fact that you want to make this more formal adds to the conversation, and perhaps packages it a bit better, but it won't substantially change their behaviour.

The Chair: Thank you.

Mr. Owen.

Hon. Stephen Owen: Thank you.

I'll be very brief, and then Ms. Jennings has a comment as well.

We talked about the law clerk's report, which we all received last evening. From your experience on the executive side of government, has it been invariable that before legislation is presented to the House, there is a constitutional review done under the auspices of the Attorney General, as the chief law officer of the crown and legal adviser to cabinet, to ensure that that legislation is not only charter-proof, but in accordance with the Constitution?

Mr. David Zussman: Yes.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Thank you very much for your presentation, Dr. Zussman.

I wanted to ask you about the Public Appointments Commission. You correctly underlined the fact that there is no formal system in place with a whole infrastructure at this time at the federal level, while in some provinces they do have an infrastructure in place for those kinds of appointments. So do you think that having some form of formal infrastructure, with clearly defined mandate, rules, authorities, etc., is a good thing?

Now, given the Prime Minister's reaction when his personally picked choice for appointment as chair was not supported by a committee...he decided he's not going to implement a formal system. Many of us believe this is a good thing. Since I came in, in 1997, I tried to convince the previous government, and now I'm trying to convince the current government, to put it in place.

We already have a similar system in place for the public service. Under the Public Service Employment Act, the Public Service Commission has that authority, which it normally delegates out to the various departments, and then exercises the oversight mechanism and audit function.

What would you think if, through Bill C-2, the Public Service Employment Act was amended to provide that the chair and the vice-chairs of the Public Service Commission also have the responsibility and duty to set this system in place, so that, for instance, the IRB would develop its criteria selection? A public, transparent selection process, etc., would identify the qualified candidates, and the Public Service Commission would then conduct audits to ensure that the appointments process was open, transparent, fair, and based on merit. What would you think if that was done through amendments to the act?

• (0950)

Mr. David Zussman: As I mentioned earlier, I am a part-time commissioner. I hope it doesn't appear that I'm in any way conflicted. But this would make a whole lot of sense. There's already an existing institution that has been testing merit-based appointments for 50 years under a regime, and it is now implementing a new one. It would be, frankly, very little additional work to ensure that the processes by which order in council appointments are made....

By the way, members of Parliament would know that in the life of a four-year government, they might make over 3,000 such appointments through the process we're talking about. So this is not a trivial exercise by any means.

It does take an infrastructure. Already a group in the Privy Council Office has been created, in fact, as part of this commission to begin the process of figuring out how we are going to make 3,000 appointments in the course of a four-year period. We already have an infrastructure. I would look at that.

The other thing I would say is that the United Kingdom, for instance, has been running a public appointments commission for at least, if I can recall, eight to ten years, with enormous success. So there are lots of good success stories out there that we can easily model.

I really applaud the government's efforts to set up the commission. Where you place it, of course, is your own choice, but there are lots of different vehicles that are possible. I'll leave it at that.

Hon. Marlene Jennings: There are lots of different existing vehicles, such as the Public Service Commission.

Mr. David Zussman: Yes. That's one option, indeed.

Hon. Marlene Jennings: Thank you.

The Chair: We have time for a couple of questions.

Anyone from the Bloc? Madame Guay? No one?

Conservatives, we're back to you. Anyone?

Then we appear to have exhausted our questions, unless you have some final statements you want to make, Professor.

Mr. David Zussman: No, other than to say thank you very much for the opportunity of being here this afternoon. I'm going to follow your work with great interest in the coming weeks.

The Chair: We're glad you came, and thank you for your contribution.

We will break for a couple of minutes.

• (0950)

_____ (Pause) _____

• (0955)

The Chair: We are going to reconvene.

From the Department of Justice we have the Associate Deputy Minister, Michel Bouchard, and I believe the Chief Prosecutor for the Attorney General of Québec from the Department of Justice, Québec, Pierre Lapointe. I understand he'll be here shortly.

Mr. Bouchard, you could make some preliminary comments if you wish, and then members of the committee....

Good morning, Monsieur Lapointe. I was just going to say that the two of you could make some preliminary comments. Hopefully, they'll be brief. And then members of the committee will have some questions for you.

I thank both of you for coming.

We'll start with Monsieur Bouchard.

• (1000)

[Translation]

Mr. Michel Bouchard (Associate Deputy Minister, Department of Justice): Thank you, Mr. Chairman.

Ladies and gentlemen members of the committee, my name is Michel Bouchard, and I am the Associate Deputy Minister responsible, at the Department of Justice, for matters pertaining to criminal prosecutions.

As the Chairman has just told you, I am here with Pierre Lapointe, who had just been assigned responsibility for examining the institution of the director of public prosecutions for Quebec when I left my duties as Deputy Minister of Justice in Quebec, more than two years ago now. Mr. Lapointe has thus spent a good part of the past two years constructing and drafting the bill passed by the Quebec National Assembly a few months ago, introducing the institution of the director of public prosecutions in Quebec.

My comments this morning will focus more particularly on the proposal to create a position of Director of Public Prosecutions at the federal level. The relevant clauses appear in Part 3 of Bill C-2.

Mr. Chairman, this proposal is based on one of the most important principles of our legal system, that prosecutions must be free of all partisan political interference or pressure. This principle is already reflected in our constitutional law, and there can be no doubt that all members subscribe to it. By this bill, the government is proposing a new institutional structure entrenched in the act that will provide greater protection for this principle of non-intervention.

Mr. Chairman, the ministers of Justice, the men and women who make up the Federal Prosecution Service have proven to be faithful guardians of the prosecutor's independence. However, it is the present government's view that it is time to go one step further. It is time to go beyond mere confidence and tradition.

There is a different approach. Two Canadian provinces have already adopted it, Nova Scotia and Quebec, as well as British Columbia, to a certain degree. The former Law Reform Commission of Canada had approved it. A number of countries have adopted it, including the United Kingdom, Australia and Ireland.

This different approach requires the establishment of an independent organization called the Office of the Director of Public Prosecutions, an organization operating independently from government. This is precisely what has been contemplated in the proposed law.

This bill proposes that the Office of Public Prosecutions be created. The acronym DPP is used to designate the office and the person who heads it. The DPP will conduct all prosecutions currently under the jurisdiction of the Federal Prosecution Service. It will also be responsible for prosecutions conducted under the Canada Elections Act. It'll be responsible as well for prosecuting the new fraud offences proposed by the present government under the Financial Administration Act.

Unlike the Federal Prosecution Service, the Office of the Director of Public Prosecutions will not be part of the Department of Justice. Instead it will constitute an independent organization that will be accountable to Parliament, through the Attorney General of Canada.

[English]

The government is proposing that the director be appointed in much the same manner as the most recent addition to the Supreme Court of Canada.

To ensure the appointee's independence, the DPP will have security of tenure, a seven-year, non-renewable term of office, and guaranteed salary and pension benefits.

The DPP will be removable from office at any time by the Governor in Council, but only for cause.

Most important of all, the director will have the power to make binding and final decisions related to prosecutions, unless the Attorney General instructs the DPP to do otherwise by means of a public written notice.

The Attorney General retains the power to intervene in proceedings, rising issues of general public interest, issues that go beyond the scope of those usually raised in prosecutions.

The bill also permits the Attorney General to take over a prosecution, but only where the Attorney General gives the DPP a

notice of intention to do so. The notice must be published in the *Canada Gazette*. We have retained this discretion, which we anticipate will be used sparingly, because the Attorney General is ultimately accountable to this House for the actions of the DPP. Some residual capacity must exist to ensure decisions are taken in the public interest. This is a feature of other DPP schemes, and as I said, history has shown that it is a seldom exercised power.

• (1005)

The Chair: Monsieur Bouchard, I wonder if you could wind up. I want to give Monsieur Lapointe a chance to speak.

[Translation]

Mr. Michel Bouchard: I have finished, Mr. Chairman. I'll be able to answer any questions you may have.

Thank you.

[English]

The Chair: Thank you.

Monsieur Lapointe, go ahead, please.

[Translation]

Mr. Pierre Lapointe (Chief Prosecutor for the Attorney General of Québec, Department of Justice (Quebec)): As Mr. Bouchard told you, I have been responsible for the DPP project at the Government of Quebec since July 24, a project that resulted in passage of Bill 109 on December 1 last, creating the position of what, in Quebec, is called the Director of Criminal and Penal Prosecutions, but who is in fact a DPP, a Director of Public Prosecutions.

I'll make some very general comments on the act and two or three more specific comments.

First, by way of a general comment on this act, I would say that, in reading the part of Bill C-2 concerning the Director of Public Prosecutions, one can't avoid seeing a DPP model that is very similar to the one adopted in Quebec. So you won't be surprised if I tell you that, in our opinion, this is an ideal model for achieving the two objectives that essentially must be achieved when you establish a DPP: first, to provide institutional, functional and operational guarantees of independence for the director—that's the purpose of the exercise—and, second, to maintain a reasonable and necessary measure of accountability to government.

In our view, the introduction of a DPP based on this model will necessarily have beneficial effects on the office of the prosecutor itself, as well as on the credibility of the prosecution system in the public's eyes. We know to what extent public confidence is essential to the proper operation of the judicial system.

There is no legal or constitutional obligation to establish a director of public prosecutions, but we think—and, in view of the tabling of Bill C-2, it appears the government thought the same thing — that this was an important and necessary measure in the context of the process of improving and modernizing our judicial institutions. That's the general comment that we wanted to make on Bill C-2.

As to specific comments, there are two that concern very specific provisions. These are about differences that can be seen between the bill that was passed by the National Assembly and the government's proposal in Bill C-2. That doesn't mean, and I don't want to be understood as meaning that these differences are disadvantageous or advantageous. I am pointing them out because, in our view, these issues were very important and were the subject of debate, because they go to the very heart of the matter of the functional independence of the DPP and because they concern the question of the image of independence and apolitical operation that emerges from this bill.

The first of these comments concerns the DPP appointment process. The process favoured here is obviously very similar to the one that we adopted, subject to certain differences that are not important here. The only comment that forms the subject of major discussions in Quebec and which made our act slightly different—here my sole purpose is to point this out to you—is the absence from the bill of any legal obligation to trigger the process of appointing a DPP.

The bill provides that the DPP is appointed for seven years, that his term is not renewable and that the DPP remains in office until he is replaced, which is perfectly normal and necessary. However, the bill provides that the Attorney General may hold a competition, but it does not provide for an obligation to do so within a certain period of time after the position becomes vacant.

Following this debate, we chose to provide that the Attorney General or the Minister of Justice shall start the competition process in the year preceding the year when the position becomes vacant. That was my first comment.

The second concerns a question that goes to the heart of all these acts, and that is the obligation for the Attorney General to make public any intervention that he must make in respect of the DPP. The primary purpose of this act is to create the functional independence of the DPP in the performance of his duties. However, as a result of constitutional necessities, the Attorney General remains in his traditional institutional form and thus holds ultimate powers of prosecution. Those fall to him. He may therefore intervene with the DPP, both to establish general standards and to intervene specifically in prosecutions that are the DPP's responsibility.

● (1010)

The situation is identical under our act. As a result, the desired objective, which is to establish functional independence, is one that can never be completely achieved, since there will always be an Attorney General who can intervene.

In general, in all acts, whether it be this one, ours, or those of Australia, Nova Scotia, British Columbia or England—in fact, I know nothing about England; I was talking through my hat—we're replacing this absence of functional independence with a transparency measure. It states that, if there is an intervention, it must be made public. In fact, we're ensuring that the Attorney General's interventions will be effective. They must always be made in the public interest, not for a public purpose. The object of this act is to prevent political intervention in the prosecutor's decisions, while preserving the Attorney General's power.

Now this power of publication...

[English]

The Chair: If you could conclude, I would appreciate it. I want to give time to the members to ask you both some questions.

[Translation]

Mr. Pierre Lapointe: We still recognize that there is a limit on the power of publication, that is to say that it is sometimes in the interests of justice to delay it. Publishing interventions could undermine the judicial process.

Here you have chosen a model in which the Attorney General and the DPP can both delay publication. That's similar to what you have in British Columbia. Upon lengthy debate, we chose a model like that of Nova Scotia, under which the DPP can delay publication since it's considered that giving the power... In any case, I'll come back to that if you have any questions.

The last thing I wanted to mention concerns language. I was a bit surprised by the wording of subsection 3(3) of the Director of Public Prosecutions Act. It states, and I quote:

(3) Il exerce, sous l'autorité et pour le compte du procureur général, les attributions suivantes :

a) engager et mener les poursuites pour le compte de l'État;

I find that ambiguous. On the one hand, we want to describe the fact that he is subordinated to the Attorney General, but, on the other hand, it states that he works under and on behalf of... You're using the same word. Moreover, I see the English version has the same effect. Perhaps that's not ambiguous in your mind, but it is for me with regard to the fundamental aspect of his duties. I'm sorry.

[English]

The Chair: We're going to have to move on. I'm sorry.

Mr. Owen, go ahead, please.

Hon. Stephen Owen: Thank you, gentlemen, for coming before us and bringing your consolidated expertise in these matters.

I have two questions. The first is for Mr. Bouchard.

I am curious as to what problem we are trying to fix here with respect to the Director of Public Prosecutions, so my first question, Mr. Bouchard, is whether there is, to your knowledge, any recent history of challenges to the image—I think Mr. Lapointe used that word translated—or the appearance of independence in the federal prosecution.

I put this in this context, because of course the Attorney General, in that part of his dual role, is the chief law officer of the crown. He or she has a quasi-judicial responsibility in criminal prosecutions to do the very things this act sets out, except for putting direction in writing.

I am wondering if there is some great distrust in the public, related to past practice of improper interference, that we're trying to solve here. How would setting up another independent office for this DPP be different from simply the situation in British Columbia? There, the Crown Counsel Act—from where I suspect the wording for this was taken—simply requires of the prosecution service that it can take from the Attorney General direction on prosecution policy or a specific case if it's in writing and is gazetted, as you say, at the appropriate time. That's my first question.

Could that simply, without taking apart the prosecution service and putting it somewhere else, be handled sufficiently, as it has been in British Columbia, without having a new so-called independent office? I think in reality it is not much more independent than our criminal justice systems across the country.

The second point is that in his role as chief law officer of the crown, the Attorney General is not only the chief lawyer for the executive branch but also the chief legal adviser to cabinet, to Parliament, and in fact to the Governor General.

So I am interested to know that with respect to this bill, it is invariable that the Attorney General, through the Department of Justice, provides legal advice to the government on the legality, particularly the constitutional legality, of the legislation before it's tabled in the House. I see that as a firm responsibility of an Attorney General in that person's independent and even quasi-judicial role as chief law officer.

I am wondering if that was done in this case. I am assuming it was. As members of Parliament who represent one of the clients of the Attorney General of Canada, we'd be very interested in having a copy of that legal opinion.

• (1015)

[Translation]

Mr. Michel Bouchard: Thank you for your question, sir.

With regard to your first point, at the origin of the bill, there's no response to a specific problem that would have made this government feel obliged to intervene quickly with regard to the creation of a DPP, as might have occurred in other jurisdictions, where the establishment of the institution of the DPP was the result of a commission of inquiry. Among other things, I'm referring to Nova Scotia and, to a certain degree, perhaps as well to a case in British Columbia with which you are very familiar. As a result, in preparing this legislation, we had occasion to refer to the work and recommendations that you prepared in the early 1990s.

That said, you know as well as I do, sir, that, in the administration of justice, appearances are at times as important as, if not more important than, reality. During my nearly 33-year career of prosecuting criminal cases in government, both Quebec and federal, I have never been involved in a situation in which a political intervention occurred in the prosecution of a case. However, I was faced with situations in which the public perception, fortunately not in many cases, was that a political intervention might have occurred, which was incorrect. It is extremely difficult, once a perception is rooted among the public, to eliminate that concern and prove that no political intervention occurred.

So what emerges from this bill with regard to the Director of Public Prosecutions is that you want to create a climate of independence and transparency with regard to public prosecutions. You want the public to get the impression, as a result of the way in which the individual has been appointed to perform that office, that the decisions he makes, which are final, are made independently of any political intervention. The public's perception of a prosecution or a decision is extremely important. A number of parameters are associated with the independence of the person who holds the position: the fact that he occupies a position from which he cannot be

removed, except for misconduct; the job security he enjoys; the fact that the Attorney General, although he does not lose his powers of prosecution, must, if he wishes to prosecute instead of the Director of Public Prosecutions, state his intention in writing and make the proceeding public. Why wait for a scandal, when the public wants the assurance that criminal prosecutions are instituted by someone who is completely independent of all political intervention? From the start of my remarks, I have emphasized that, over the years, the attorneys general who have preceded the one who currently occupies the position and all those currently working in the Federal Prosecution Service for a number of years have performed their duties with complete independence, free of all political intervention. However, what is important, and I want to point this out again, is knowing whether the public perceives every day that all decisions are made completely independently. It is this situation that the bill addresses.

• (1020)

[English]

The Chair: We're over time.

Mr. Sauvageau.

[Translation]

Mr. Benoît Sauvageau: Good morning, Messrs. Lapointe and Bouchard.

During the last election campaign, the Conservatives outlined the idea of creating a position of director of public prosecutions. A spokesperson for the Quebec Ministry of Justice said that it was the Attorney General of Quebec, not the federal Attorney General, who usually instituted proceedings in fraud cases. "In fraud cases, it's the Quebec Attorney who institutes proceedings," the spokesperson said. "A memorandum of understanding with Quebec should be necessary to do that."

To your knowledge, have negotiations been started? Has something been started between the announcement of the table of Bill C-2 during the election campaign and today?

Second, what elements did the Government of Quebec want to include in it?

Lastly, what powers and prerogatives do you want to protect with relation to Bill C-2?

Mr. Pierre Lapointe: As to whether negotiations have been started, I can't give you an answer. I haven't looked into those questions. However, I can tell you that both Quebec's bill and Bill C-2 specifically provide for the possibility of an agreement in cases of interprovincial or intergovernmental prosecutions. They contain specific provisions respecting those agreements. Agreements are always necessary during prosecutions, even beyond the context of the Director of Public Prosecutions. Where necessary, for example, when a case concerns the proceeds of crime, fraud or organized crime, the provinces enter into these kinds of agreements among themselves. Those are specific cases.

Mr. Benoît Sauvageau: When the idea of creating a position of Director of Public Prosecutions was introduced, the present Prime Minister and Peter MacKay, a former Crown prosecutor of Nova Scotia, did not agree on the powers related to that position. Mr. Harper said that the Director of Public Prosecutions could intervene in cases like the sponsorship case. However, we know that proceedings were instituted by the Attorney General of Quebec in that matter.

From a reading of Bill C-2, do you feel it offers the necessary guarantees to preserve Quebec's responsibilities? Do you think it enables the federal government to institute proceedings that are currently the responsibility of Quebec's director of public prosecutions?

Mr. Michel Bouchard: Thank you. Mr. Lapointe can add to my answer, but I'll nevertheless begin, since we're talking about a federal bill.

It should be clearly understood that, with respect to the creation of a position of Director of Public Prosecutions, Bill C-2 does not change the ground rules as regards the jurisdictions of the provinces relating to criminal prosecutions. However, it does contain, in particular, certain clauses that will create new offences under the Federal Accountability Act, as well as amendments to the Criminal Code concerning fraud against the government. In that sense, Bill C-2 gives the federal Director of Public Prosecutions the power to institute proceedings in cases of fraud committed by government employees or against the government.

One important point to note is that, in order to institute his proceedings, the eventual Director of Public Prosecutions may, by virtue of the independence conferred on him by the bill as tabled, decide to enter into an agreement with the province concerning a given situation if he considers it preferable that either the province or the Director of Public Prosecutions institute a proceeding. He will have all the necessary authority to do so.

● (1025)

Mr. Pierre Lapointe: Indeed, the part of the bill concerning the DPP does not in any way reduce the Attorney General's power to prosecute. That power is provided for in section 2 of the Criminal Code and will not change.

However, Mr. Bouchard points out that another part of the act establishes a concurrent power of prosecution, and that it does not necessarily withdraw the Attorney General's power to prosecute. Furthermore, there are still reasons to establish agreements in similar circumstances, having regard to resources, interests and so on. That's the current state of the matter.

Mr. Benoît Sauvageau: Does that mean that neither the Director of Public Prosecutions nor the staff of his office in Quebec City will experience, in the performance of their duties, the slightest concern over the implementation of Bill C-2 if it is not amended?

Mr. Pierre Lapointe: I haven't examined Bill C-2 as a whole. It contains a lot of elements, but I can tell you that the part concerning the Director of Public Prosecutions changes nothing. Working with people who enjoy this kind of independence, and who appear to have it, is very positive.

Furthermore, as Mr. Bouchard mentioned, the image that the public perceives is very important. If people get the impression that there has been political intervention or that a decision has been made in a political manner, that may prove to be utterly paralyzing for the prosecutors. That perception lasts quite a long time in the public's mind or imagination.

In fact, the prospect of working on an equal footing with organizations of this kind makes us happy.

Mr. Michel Bouchard: The fact that Quebec is happy makes us happier.

[*English*]

The Chair: Thank you.

Mr. Martin.

Mr. Pat Martin: Thank you, Mr. Chair, and thank you to both witnesses for being here.

I see the creation of this new office as a natural extension of the spirit of this bill, in many ways. If we have, for instance, better access to information as a result of this bill, we want to have the information that may be unearthed by virtue of those new strengths dealt with promptly. Canadians not only have a right to know how their money is being spent and a right to be aware of any wrongdoing that may have occurred, but they also have a right to speedy prosecution of any maladministration or wrongdoing that may be unearthed.

So I am excited by this prospect, and I welcome this idea. I'm relieved to hear that we don't see it as being contradictory to any provincial jurisdiction, as I would have had to have found fault with that.

One of the criticisms I've heard, and it's almost a motif, a theme, of the criticism we get of the Conservative government, is that it kind of smacks of the American model. This isn't a prime concern of mine, but I would like you to clarify, perhaps, if you could. People have negative images of, I think his name was Starr, in the Clinton period. They felt they had a special office that was there to harass the government in a quasi-political way.

Could you differentiate for us how this new office is different from the similar prosecutor's office in the United States?

[*Translation*]

Mr. Michel Bouchard: As for the creation of the position of Director of Public Prosecutions, we examined everything that was being done outside Canada and even within Canada, in the case of certain provinces, during the drafting and writing of the bill. We looked into the situation in the United Kingdom and Wales, in a number of Australian states, in New Zealand and in Ireland.

In the United States, they have what's called a special prosecutor. He is appointed for specific purposes, in the context of a particular case that has previously been the subject of a priority review by the Attorney General. This special prosecutor's duties are limited to the specific circumstances in which he is asked to investigate. On the other hand, the Director of Public Prosecutions handles all cases that are subject to criminal investigation conducted by the police and that are followed by the laying of charges. So these are two quite different offices.

The Attorney General of Canada, as well as any provincial attorney general, may ask a special attorney to handle a case. That's not prohibited. In Quebec, this may happen in the context of an investigation in which the person concerned was too close to the institution of the Attorney General. The two entities must be separated.

The United States does not have a director of public prosecutions. We therefore drew on what has been done in Nova Scotia, Quebec and, to a certain degree, British Columbia, but especially on what exists in most of the Commonwealth countries.

• (1030)

Mr. Pierre Lapointe: Allow me to add one detail. The U.S. constitutional context is so different from our own that any similarity is impossible. Mr. Bouchard referred to occasions on which either a province or the Attorney General of Canada could appoint a special attorney. However, it could never be a prosecutor in the sense that is meant in the United States. In that country, the prosecutor has the power both to investigate and to prosecute. When a special attorney is appointed, it is generally a person who only has the power to prosecute. However, the decision may be made not to assign a specific investigation to an attorney general, in view of an existing conflict.

[English]

Mr. Pat Martin: That's very interesting. Thank you.

The Chair: Anyone? No?

Mr. Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): I just want to.... Okay. I'll wait.

[Translation]

Mr. Daniel Petit: Good morning, Mr. Bouchard and Mr. Lapointe.

First, I'd like to draw the Chairman's attention to the fact that I personally know Mr. Lapointe and Mr. Bouchard. They come from the district of Quebec City, as I do. We practised at the same time, but not in the same place. In some cases, Mr. Lapointe represented the Crown, when I was counsel for the defence. The same was true of Mr. Bouchard.

First, I want to say that I'm very proud to see you here today. This proves that we have good attorneys in Quebec. I'd like to draw your attention to one aspect of the bill. I don't know whether you have considered it. It is provided that whistleblowers will have to go to the Labour Relations Board or to a tribunal. I know that administrative tribunal lawyers are quite particular compared to court lawyers. Furthermore, those who receive the complaints would be Superior Court judges.

I'd like to hear your comments on this subject, since you will have to face the situation and deal with these problems every day. Let's hope there aren't too many. Between the Labour Relations Board and the tribunal, which do you prefer? You already know these institutions, in view of the fact that you've previously practised in a tribunal, in the Superior Court, in criminal cases, or in other circumstances.

Mr. Michel Bouchard: I'll answer you by saying that I can't answer. I belong to a group of lawyers at the Ministry of Justice that examined Bill C-2 from the standpoint of the provisions on the Director of Public Prosecutions. I neither considered nor examined the other provisions of this bill. You could probably ask a question and get an answer at the clause-by-clause consideration stage.

One of the reasons why I have been in my position for all these years is that I'm very much aware of my limits when it comes to answering certain questions. This morning, I'm giving you one example of that. I don't know the answer to your question, and I don't want to make one up.

Mr. Daniel Petit: Thank you very much.

Go ahead, sir.

• (1035)

[English]

Mr. Pierre Poilievre: I just want to return to the core purpose and origins of the Director of Public Prosecutions. The reason this was proposed in the last election—and I'm not afraid to say it—is that a lot of people were confused about the fact that a number of advertising agencies were pursued with legal action when one organization, which was clearly at the centre of the same scandal and benefited directly from it without any question whatsoever—this is beyond debate—was not. That organization was given the ability to decide how much of its stolen money it wanted to repay.

The purpose of the Director of Public Prosecutions demonstrates that there should be an independence in public federal prosecutions and that the public should know if there is political direction given to the Attorney General's office. In cases such as that one, where the partisan interest of the Attorney General himself seems to conflict with the public interest he is meant to serve, there should be as much space as possible between that Attorney General, who is a partisan elected official, and the prosecutorial component of the federal government. If the Attorney General, who is partisan, does want to direct the prosecutorial arm of his department, he has to do so in a way that is public, not secret, so that people know.

That is the real reason we want to have this separation. It doesn't create a new bureaucracy; in fact, it will be the same office. It just separates the powers and basically opens up the drapes so the sunshine can come in. We can see what's going on in there—to use an analogy that Mr. Martin has been fond of in the past.

That is the purpose of this office. I wanted to state that on the record to remind people of why we are doing this and where the idea was born.

I'll just move to the question. Do you believe that this will cause any major upheaval or problems, from an administrative standpoint, in the Department of Justice or in the Attorney General's office, or do you think these changes can be accommodated in a fairly efficient way?

[Translation]

Mr. Michel Bouchard: I have no contradictory comment to make on what I've just heard, sir. Thank you for your question. You summarized, among other things, the purposes of these amendments very well.

Your last question is very important, because it concerns the human component. The transfer of this unit, which consists of a number of employees, to a separate unit from the Department of Justice, will have a significant impact on interpersonal relations. These people are leaving a department for which they've worked, in some cases, for nearly 30 years. From a human standpoint, these people are sad to leave the Department of Justice in order to create this new institution, but happy as well because they know that they'll play a very important role which will have been confirmed in an independent manner by the act. So they'll be proud to create and introduce this new concept of Director of Public Prosecutions, but sad at the same time to leave the Department of Justice.

From a budgetary standpoint, under the act—and this is included in the transitional provisions—the some 600 employees who are currently part of the Federal Prosecution Service will become members of the Office of the Director of Public Prosecutions the day after the bill is passed. Four hundred and eleven lawyers work in the Federal Prosecution Service, along with 273 employees who are not lawyers, and we call on nearly 250 firms around the country, representing 800 lawyers, to conduct trials in regions where we don't have a permanent office.

So the budgetary impact shouldn't be enormous, but there will nevertheless be an impact. To guarantee the independence of the Federal Prosecution Service, which will become the Office of the Director of Public Prosecutions, it will have to have separate premises from those of the employees of the Department of Justice, which will perhaps entail a one-time expenditure for one year.

[English]

The Chair: Both clocks have gone off, so we're out of time. I want to thank you both for coming.

● (1040)

Mr. Michel Bouchard: It was a pleasure for us.

The Chair: We'll break for a minute.

● (1040)

(Pause)

● (1040)

The Chair: Before we have our next delegation, just to get you all thinking, unless you have a brief comment—order, please, this is important—I need the committee's advice.

Ms. Jennings, Mr. Walsh is available tomorrow or on Monday to come at either 5 or 6 p.m. I think the motion said three hours. Does the committee want him to come at 5 or at 6 p.m.? You say 5 p.m. That's all I want to know.

We are going to proceed. We are completely out of control here with time, but we're going to do our best.

We have Yvette Aloisi, I hope, who is the Associate Deputy Minister with the Department of Public Works and Government Services. We also have Emmy Verdun, who is the Director General, Policy Risk and a whole bunch of other things. Mr. Wild, who has been here before, is here from the Department of Justice in case there are some legal issues, I suppose.

We're really pressed, so could you make your opening comments very brief, please?

Ms. Yvette Aloisi (Associate Deputy Minister, Department of Public Works and Government Services): Okay. I'm going to be very brief and cut down the statement that was distributed to all of you.

I think most of you know about Public Works and Government Services Canada, the number of transactions we do per year, and the amount of money we spend on behalf of the Government of Canada—in the order of \$17 billion a year. Today I would like to focus on the parts of Bill C-2 that touch on the procurement auditor. I would also like to quickly talk about the code of conduct and the impact of what we're doing on SMEs.

As you know, the Federal Accountability Act will create a new position of procurement auditor, with a mandate to review procurement practices across the—

● (1045)

The Chair: I'm going to interject and be rude. I'm very sorry, but since you're from the department we're going to take our leeway with you. We have your paper here. I know this is unusual, but we have a scheduling problem. So I'm going to ask that the committee jump right into questions.

Mr. Owen.

Hon. Stephen Owen: Thank you.

My question is to Mr. Wild in his capacity as senior counsel, legal services, for the Treasury Board portfolio.

Mr. Wild, I'm confident that no legislation is tabled in the House without the Attorney General or his delegates having reviewed it for constitutionality and general lawfulness, or non-contravention of other statutes. As a member of Parliament, I'm asking for any written opinion that may have been provided on Bill C-2 to the government.

As we know, the Attorney General of Canada is not only the chief legal adviser to cabinet and the executive, but as law officer of the crown, he is also the counsel for Parliament. In that capacity, and given our responsibilities here, it is very important for us to be assured by receiving a copy of that opinion.

The Chair: I'm going to leave you on your own. There's an issue of privilege, but I've seen you work before and I'm sure you can look after yourself.

Mr. Joe Wild (Senior Counsel, Legal Services, Treasury Board Portfolio, Department of Justice): I appreciate your confidence, Mr. Chair.

It is certainly the regular practice of the department to review legislation, as well as any other matter on which the government wishes to receive advice, as to constitutionality or compliance with the charter.

In terms of a specific written opinion on this bill, when we get to clause-by-clause, the department will happily assist the committee in explaining the legal underpinnings of every clause in the bill. But as to providing some kind of overarching legal opinion to the committee, it's certainly the longstanding tradition that, generally speaking, legal advice to the government is not shared with committees. But we'll be happy to explain, from a technical perspective, the legal underpinnings of the clauses as we go through the clause-by-clause exercise.

Hon. Stephen Owen: Thank you. That's very helpful.

If I can just crystallize this, as a parliamentary committee, as members of that committee, and as members of Parliament, and given the role of the Attorney General and his delegates as legal advisers to Parliament, we would be very grateful for legal advice, as we go through, on the constitutionality or lawfulness of each clause.

Mr. Joe Wild: Just to clarify, the function of the Department of Justice, and even the Attorney General, is not to provide legal advice to the committee. We can explain the legal underpinnings behind the policy rationale for the clauses in the bill, but it would be inappropriate for the department to provide legal advice to the committee.

The committee has a legislative clerk as well as law clerks, who are available to provide any specific legal advice the committee may wish.

• (1050)

Hon. Stephen Owen: I appreciate that, Mr. Wild, but the Attorney General of Canada is the legal adviser to Parliament.

Mr. Joe Wild: It's to Her Majesty the Queen, but I don't want to quibble on that point.

The Chair: I'm going to stop the clock for a minute.

I'm not going to interrupt. It's your time and you can do whatever you like. I'd just remind the committee that there is an opportunity to ask these witnesses about the procurement section of the bill. You may wish to do that, or you may wish to go in your own direction.

Thank you. You can continue.

Hon. Stephen Owen: No, I think we have concluded that point. Thank you.

Thank you for being here, Ms. Aloïsi. It's nice to see you again.

Your paper goes into this, but could you briefly express how the additions in Bill C-2 will strengthen the procurement process, which has been under pretty constant revision over the last few years and which, to my personal observation, is currently working very well, even though there may have been concerns in the past?

Ms. Yvette Aloïsi: The procurement auditor actually will complement the type of measures we have taken at Public Works and Government Services Canada recently to increase the fairness and transparency of the procurement process.

As you know, what is in the legislation is that this person will be able to review and assess procurement practices across the public service and provide some advice to the Minister of Public Works and Government Services in terms of improvement to the procurement process that could be put in place.

Also, this person will be able to review complaints. Those complainants who cannot go before the Canadian International Trade Tribunal below a certain threshold will be able to complain to this person. Not only that, but within the context of the administration of the contracts, if a vendor is not happy with the way something is done—payment is not made on time, and that kind of thing—this person will be able to go to the procurement auditor and indicate that he needs some kind of redress.

So this person will be able to look at trends across the public service in terms of procurement and make recommendations and produce an annual report that will be made public and that a parliamentary committee will be able to review.

So this is an improvement, complementary to what we have been doing recently.

The Chair: Mr. Sauvageau.

[*Translation*]

Mr. Benoît Sauvageau: Good morning, ladies and gentlemen. I want to put my first questions to Mr. Wild.

Mr. Wild, have you been involved with Bill C-2 from the start?

Mr. Joe Wild: Yes.

Mr. Benoît Sauvageau: Before its first reading in the House, how much time did it take to draft it?

Mr. Joe Wild: We spent approximately six weeks drafting the bill and two more weeks, before the drafting as such, examining political issues, in order to be able to give the legislative drafters the necessary instructions.

Mr. Benoît Sauvageau: So the bill, which contains more than 300 clauses, was drafted in six weeks?

Mr. Joe Wild: The drafting of the bill took six weeks, yes.

Mr. Benoît Sauvageau: All right. You repeated on two occasions that the department did not provide legal advice to the committee and that legal advice could not be given to committee members. What do you mean by that?

Mr. Joe Wild: I'm going to speak in English,

[*English*]

just for precision purposes.

It's generally not the tradition to provide legal advice to a committee. Again, generally, legal opinions of the department are not usually released to a committee. That's not to say those things can never happen. I am just reflecting what is the general practice.

• (1055)

[*Translation*]

Mr. Benoît Sauvageau: When you say committee members, are you talking about all committee members or all members except those from a party?

Mr. Joe Wild: I mean all committee members. We can provide technical explanations on the content of the bill, on the meaning of a clause and its impact, but we don't give legal opinions. The line may not be very clear. Perhaps it is more so for me, because it...

Mr. Benoît Sauvageau: It seems to me that this is the first time, in a committee, that I have seen a legal advisor from the legal department of the Treasury Board portfolio seated with the Conservatives from the first day of the committee, who is consulted by Mr. Poilievre and who gives him advice. When you see committee members, do you mean all committee members or all committee members with the exception of the Conservatives? How is it that legal advisors from the Department of Justice advise the Conservatives daily and regularly on the development and discussions concerning Bill C-2?

[English]

Mr. Joe Wild: First, in terms of sitting at the table, it's because that's where the table is.

[Translation]

Mr. Benoît Sauvageau: You're welcome on our side.

[English]

Mr. Joe Wild: We're sitting at a table that's available so that we can work with our books. Normally, in other committee rooms, the table is behind the witnesses. That's just not the case here, so we were sitting there.

I have provided an answer to any member who has approached to ask me a specific question in terms of the meaning of a clause in this act. Certainly, in terms of any interactions that I've had with the Conservative members of the committee, again it has been in answering specific technical questions about what a clause means or what the implication is.

[Translation]

Mr. Benoît Sauvageau: All right. Thank you.

Madam...

[English]

The Chair: Could we just stop the clock for a minute here?

We're talking about whether Mr. Wild gives this committee advice. It's the chair's understanding that Mr. Walsh gives the Speaker advice, which in fact is this committee, which puts the committee in an interesting position. That's my understanding as to who gives this committee legal advice.

[Translation]

Mr. Benoît Sauvageau: I'm sure it's judicious.

My question is for Ms. Aloïsi. In Bill C-2, no mention is made of the complaints filed with the Canadian International Trade Tribunal, ruled admissible and in respect of which the Department of Public Works and Government Services is found guilty—I don't know whether you can use that word—of wrongdoing in the case of a contract.

I'm referring to a *Globe & Mail* article published on May 31, referring to a decision by the Canadian Foreign Trade Tribunal to the effect that there appears to have been wrongdoing in the Envoy case and in relocation cases with Royal LePage.

Can you tell us whether those decisions, once made public, should be subject to an investigation under Bill C-2 through the Integrity Commissioner, or whether they should be abandoned, as is currently the case? Is my question clear enough?

Ms. Yvette Aloïsi: Every decision of the Canadian International Trade Tribunal is subject to review by the Federal Court of Canada, and the decision to which you refer is no exception.

I therefore do not see the need for another process, because the decisions can be reviewed by the Federal Court, which, in the case you mentioned, referred the matter back to the Canadian International Trade Tribunal for re-examination. A process is already in place in which decisions made by the Canadian International Trade Tribunal can be reviewed by the Federal Court.

• (1100)

Mr. Benoît Sauvageau: Do I have the time... If the Federal Court says...

[English]

The Chair: You don't; please be brief.

[Translation]

Mr. Benoît Sauvageau: Let's take, for example, a case in which the Federal Court ruled that there had been wrongdoing, that is to say that an official prepared a biased request for proposal. Wouldn't that directly violate the spirit of Bill C-2? Shouldn't we proceed with an investigation to determine the circumstances in which this apparent wrongdoing occurred?

Ms. Yvette Aloïsi: We have statistics on all complaints filed with the tribunal, and few of them are deemed valid. Furthermore, most of the time, the tribunal's decisions mainly concern the evaluation criteria used in awarding a contract.

The tribunal's recommendation concerns the review of the process. It's not really a matter of wrongdoing. Very often, it's concerned with technical matters: for example, the supply officer has not followed the process or the criteria were not appropriate.

Mr. Benoît Sauvageau: Thank you very much.

[English]

The Chair: We have a problem here. We have lots of time for your time, but this place has been booked for another committee, and they're sitting at the back of the room, glaring at us. I'm afraid we're going to have to adjourn.

I thank you very much for coming.

We will meet at 5 o'clock on Monday, in the room across the hall.

Thank you very much. The meeting is adjourned

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